

1999 Major Taxes Comparison with Nearby States (continued)

| SALES AND USE | CT | DE | MD | MA | NJ | NY State | NY City | OH | PA |
|------------------|------|------|------|------|------|-----------------|--------------------|-----------------|-----------------|
| YEAR OF ADOPTION | 1947 | — | 1947 | 1966 | 1966 | 1965 | 1965 | 1934 | 1953 |
| CURRENT RATE | 6% | None | 5% | 5% | 6% | 4% ¹ | 8.25% ² | 5% ³ | 6% ⁴ |

¹ State rate is 4%; counties and municipalities may impose additional tax up to 4% plus an additional metropolitan area surcharge of .25%.

² New York City rate includes New York State rate.

³ State rate is 5%; each county may impose an additional 2%.

⁴ State rate is 6%; City of Philadelphia imposes an additional 1% for a total of 7%.

SALES AND USE TAX EXEMPTIONS

(T—Taxable; E—Exempt)

| | CT | DE* | MD | MA | NJ | NY | OH | PA |
|-------------------------|----------------|-----|----------------|----------------|----------------|----------------|----|----------------|
| Beer On-Premises | T | E | T | T | T | T | T | T |
| Beer Off-Premises | T | E | T | E ¹ | T | T | T | T |
| Cigarettes | T | E | T | T | T | T | T | T |
| Clothing | E ² | E | T | E ³ | E | T | T | E |
| Food Off-Premises | E ⁴ | E | E ⁴ | E ⁴ | E ⁴ | E ⁴ | E | E ⁴ |
| Liquor On-Premises | T | E | T | T | T | T | T | T |
| Liquor Off-Premises | T | E | T | E ¹ | T | T | T | T |
| Manufacturing Equipment | E | E | E | E | E | E | E | E |
| Motor Fuels | T | E | E | E ⁵ | E | T | E | E |

*Delaware does not impose sales and use taxes. Gross receipts taxes of varying amounts (less than 1%) imposed on different types of sales.

¹ If purchased as “take-out” item from a package store.

² Single article \$49.99 and under; however, single article \$50.00 or over is taxable.

³ Single item \$175 and under; however, single article over \$175 is taxed on the amount in excess of \$175.

⁴ If purchase is in same form and condition as found in supermarket; however, prepared food ready to be eaten and snack food are subject to tax.

⁵ If fuel is subject to excise tax. If not for “on road use,” it is not subject to excise tax and, therefore, subject to sales tax. Example: Contractor has a bulldozer for “off road use” which runs on diesel fuel. The fuel is not subject to excise tax; therefore, it is now subject to sales tax, unless used in performance of a government contract.

1999 Major Taxes Comparison with Nearby States

| | CT | DE | MD | MA | NJ | NY State | NY City | OH | PA |
|---|-------------------|-------------------|---------------|-------------------|----------------------------|-------------------|--------------------------------|---------------------|---------------------|
| CORPORATION NET INCOME | 8.5% | 8.7% | 7% | 8.333% | 7.5%, 9% | 9% | 8.85% | 5.1%– 8.9% | 9.99% |
| PERSONAL INCOME | *3%– 4.5% | *2.6%– 6.4% | *2%– 4.85% | 5.95% | *1.4%– 6.37% | *4%– 6.85% | *2.96%– 4.46% | *0.673%– 6.799% | 2.8% |
| *Graduated Rates | | | | | | | | | |
| MOTOR FUELS¹ | | | | | | | | | |
| • Excise Tax/Gal. | | | | | | | | | |
| Gasoline | \$0.32 | \$0.23 | \$0.235 | \$0.21 | \$0.105² | \$0.08 | 0 | \$0.22 | \$0.12 |
| Diesel | \$0.18 | \$0.22 | \$0.2425 | \$0.21 | \$0.135 | \$0.08 | 0 | \$0.22 | \$0.12 |
| • Sales Tax | 6% | 0.5% | 0 | 5% | 0 | 4% | 4.25% | 0 | 0 |
| ¹ Various other taxes are applied to motor fuels in the states of Delaware, New Jersey, New York, Ohio and Pennsylvania. | | | | | | | | | |
| ² Liquefied petroleum gas and compressed natural gas used in motor vehicles on public highways is taxed at 1/2 the general motor fuels tax rate (\$0.0525 per gallon). | | | | | | | | | |
| ALCOHOL | | | | | | | | | |
| • Excise Tax/Gal. | | | | | | | | | |
| Beer | \$0.19 | \$0.16 | \$0.09 | \$0.11 | \$0.12 | \$0.135 | \$0.255 ² | \$0.18 | \$0.08 |
| Wine | \$0.60– \$1.50 | \$0.97 | \$0.40 | \$0.55– \$0.70 | \$0.70 | \$0.1893 | \$0.1893 ² | \$0.32– \$1.50 | See Foot- note 4 |
| Liquor | \$2.05, \$4.50 | \$2.50, \$3.75 | \$1.50 | \$4.05 | \$4.40 | \$2.54, \$6.44 | \$3.54, \$7.44 ² | See Foot- note 4 | See Foot- note 4 |
| • Sales Tax | 6% | None | 5% | 5% ¹ | 6% | 4% | 8.25% ² | 5% | 6% |
| ¹ Purchases for off-premises consumption are not taxable. | | | | | | | | | |
| ² New York City rate includes New York State rate. | | | | | | | | | |
| ³ Ohio Department of Liquor Control must pay the State Treasury \$3.38 for each gallon sold. | | | | | | | | | |
| ⁴ In these states, the government directly controls all sales. Revenue is generated from various taxes, fees and net profits. | | | | | | | | | |
| TOBACCO | | | | | | | | | |
| • Excise Tax | | | | | | | | | |
| Cigarettes (20/pack) | \$0.50 | \$0.24 | \$0.66 | \$0.76 | \$0.80² | \$0.56 | \$0.64 ¹ | \$0.24 | \$0.31 |
| Other Tobacco (% of Wholesale Price) | 20% | 15% | 15% | 75% | 48%² | 20% | 20% | 17% | 0 |
| • Sales Tax | 6% | None | 5% | 5% | 6% | 4% | 8.25% ¹ | 5% | 6% |
| ¹ New York City rate includes New York State rate. | | | | | | | | | |
| ² New rates effective 1/1/98. | | | | | | | | | |